

# Beginners Guide to Income Taxes for International Postdocs

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**Please Note:** We are not income tax attorneys or certified public accountants. Please contact the IRS and/or income tax professionals with your questions, for the most recent information on taxation, or for assistance in preparing income tax forms. This information is meant only to provide basic information on taxation.

The U.S. taxation system is byzantine, and international postdocs working for U.S. employers should be prepared to invest some time to understand the regulations of this system. Because of the breadth of this system, this article will not cover all aspects but only discuss the major issues. To begin the process of filing income taxes, it's a good start to read through the resources listed on the [IRS Web page for foreign students and scholars](#) and for a comprehensive guide you can consult the [IRS Publication 519, U.S. Tax Guide for Aliens](#).

# Non-resident or resident alien?

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The IRS makes a distinction between **residents** and **non-residents** for taxation purposes that can often differ from that made by immigration officials:

- **non-resident:** As an alien (not U.S. citizen), you are considered a non-resident alien unless you meet one of the two tests described below. As a non-resident, you will file form 1040-NR U.S. Nonresident Alien Income Tax Return.
- **Resident:** You are considered a resident alien if you meet either the green card test or the substantial presence test for the calendar year. In this case, you will file form 1040 U.S. Individual Income Tax Return.
- It's also possible to have **dual status** for a year when someone would be considered, for example, non-resident for part of a year and resident for the rest of the year, in which case the individual is allowed to decide to file taxes either as a resident or non-resident.



# Filing Status

The amount of income tax withheld from every paycheck depends on the information reported on **Form W-4** when an individual begins employment. Some employers let you decide not to have any withholding and pay taxes on your own, but it takes discipline and good financial knowledge to save the necessary amount of money. Married couples, in case they are considered residents, can file tax reports jointly or separately. The amount of withholding may differ quite a lot and it's worth it to make a decision based on calculating income tax in each case using a [tax table](#).



# Tax Treaty Benefits

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The United States has concluded [tax treaty agreements](#) affecting non-resident taxpayers from about 50 countries. Treaties generally exempt the income of foreign teachers and researchers for a period of two years, but eligibility may be restricted. Recipients of scholarships, or other non-taxable incomes, still have to file a tax report even if they don't pay income taxes.



# Getting Help to File your Taxes

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Although some institutions may use software systems like Glacier or Cintax to collect financial information in order to expedite the filing of tax reports online, most employers will provide tax guides, which explain basic terms and organize useful web links to help with submission of tax reports. Please contact the university's international office and their website to help identify any tax software and general advice around taxation. Because giving financial advice is a risky business, many institutes organize seminars where tax lawyers are invited to advise international employees and also to offer their services. If this option is not available to you and you would like to find a tax return preparer you can consult the [IRS recommendations for choosing a tax professional](#).

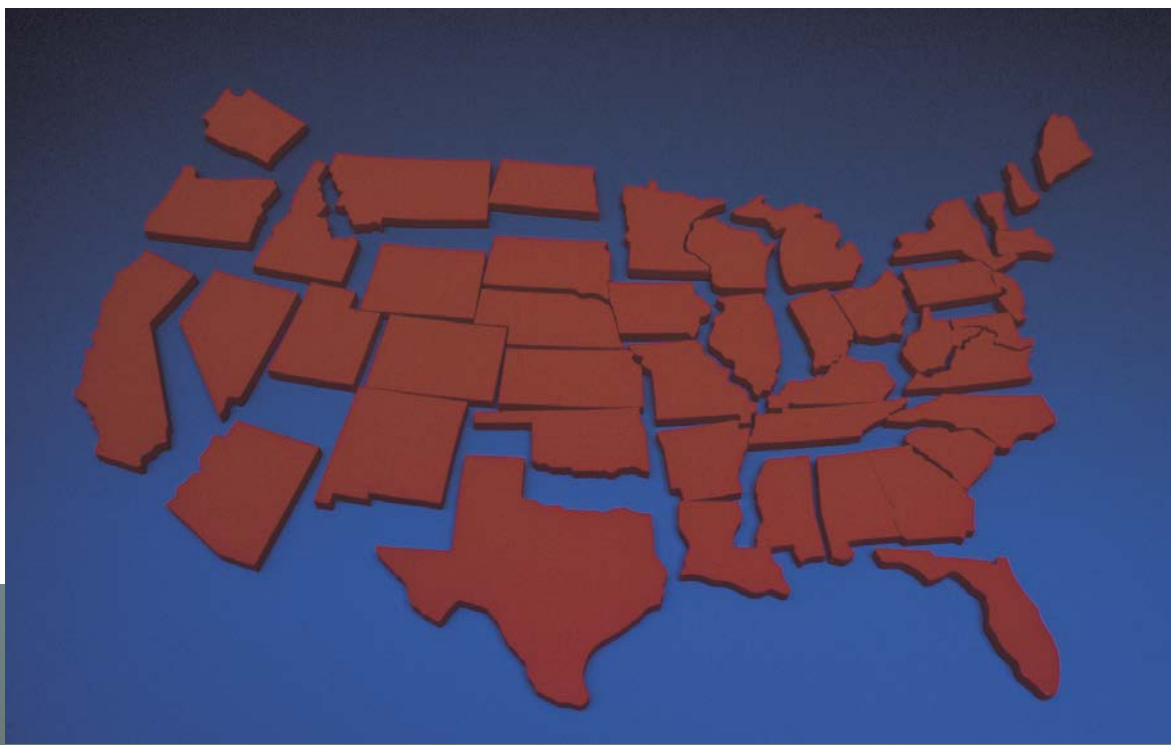


# Don't Forget About State Taxes

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Most of the states have local income taxes, except these seven: Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming, while two others - New Hampshire and Tennessee - tax only dividend and interest income. Non-resident aliens don't have to pay local taxes and Social Security or Medicare taxes, but residents do, despite the fact that they can't use these services and that money can never be recovered.

**Bottom line:** *Paying and reporting your income tax correctly is important not only for the obvious reason of obeying the law, but it will also support your claim if you should apply for an immigrant visa.*





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